

**Bureau for Private Postsecondary and Vocational Education**

1625 North Market Boulevard, Suite S-202, Sacramento, CA 95834
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(916) 574-7720
www.bppve.ca.gov



February 15, 2007

Dear School Owner:

The purpose of this letter is to provide you with some general information about the status of the Bureau for Private Postsecondary and Vocational Education (Bureau) within the California Department of Consumer Affairs (Department). As many of you know, the Private Postsecondary and Vocational Education Reform Act (Act) will become inoperative on July 1, 2007 unless another piece of legislation is passed by the State Legislature and signed into law by Governor Schwarzenegger. While this impending sunset does provide challenges for the Bureau, it is also a strong incentive for all parties -- the Administration, the Legislature, consumer advocates and schools, such as yours, to work together to create a new and more effective Act to guide the administration of this important program.

In the attached veto message of Assembly Bill 2810, the Governor called for comprehensive reform and committed to working with the Legislature. We expect that legislation will be introduced shortly. While we cannot predict what will ultimately happen with the Act or the Bureau, we can provide you with as much information as we know to date. We will make every effort to keep you updated and encourage you to go to the Bureau's website at www.bppve.ca.gov for monthly updates.

Naturally, the Department is very concerned about what could potentially happen should the Act become inoperative July 1, 2007 and no statutory framework is in place. We contacted the United States Department of Education (USDOE) to confirm that Title IV financial aid will not be adversely impacted should the Act become inoperative. USDOE's letter is attached for your review.

Current law (Education Code section 94999) provides for a sunset date of July 1, 2007 and a repeal date of January 1, 2008. This means that, as of July 1, 2007, institutions will no longer need to seek or maintain approval or registration from the Bureau to operate a private postsecondary educational institution legally in California. However, the current Act remains in full force and effect until July 1. Failure to comply with the provisions of the Act is grounds for discipline under existing law and may affect licensure under future law as well. We also recommend that you review your educational programs with other related state or federal agencies to ensure that the cessation of the Bureau's functions will not otherwise impact the educational programs you offer. It is my understanding that concerns regarding the ability of candidates attending Bureau-approved institutions to qualify to sit for various DCA board licensing examinations will be addressed legislatively this year.

The Department has been working on a plan to assist those employed by the Bureau and will be redirecting interested staff to other positions within the Department over the next few months. The Bureau's management staff, working with the Department, is developing a workload plan to maintain the critical aspects of the Bureau's operations.

We hope the information provided will help clarify what the status of the Bureau and Act is, what you can expect in the next few months, and how the pending sunset date will impact your school and students. Should you have any questions, please feel free to email the Bureau at bppve@dca.ca.gov. In closing, it is our sincerest hope that we can achieve meaningful reform for the private postsecondary and vocational education program, its students and the schools that provide education in this state.

Sincerely,

BARBARA WARD
Bureau Chief

Attachments (2)



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Questions and Answers

Regarding the Inoperative Date (Sunset) of the Bureau for Private Postsecondary and Vocational Education (Bureau)

May 14, 2007

The Private Postsecondary and Vocational Education Reform Act (Act) will become inoperative on July 1, 2007. Current law (Education Code section 94999) provides for a sunset date of July 1, 2007 and a repeal date of January 1, 2008.

What does it mean that the Act will become inoperative?

This means that, as of July 1, 2007, institutions will no longer need to seek or maintain approval or registration from the Bureau to operate a private postsecondary educational institution legally in California. However, the current Act remains in full force and effect until July 1. Failure to comply with the provisions of the Act is grounds for discipline under existing law and may affect licensure under future law as well.

How does the Bureau's sunset affect the ability of candidates attending Bureau-approved institutions to qualify to sit for various licensing examinations administered by boards within the Department?

The boards may have the authority to continue to recognize graduates of schools that were approved by the Bureau even after the July 1, 2007 inoperative date. For additional information, you may wish to contact the particular licensing board directly.

After July 1, what do I do if I want to open a new institution? Change the location of an existing institution? Want to add a branch location? Add a program or course? Certify a new instructor?

As of July 1, 2007, institutions will no longer need to seek or maintain approval or registration from the Bureau to operate a private postsecondary educational institution legally in California. This includes changing locations, adding a branch location, adding a course, or obtaining certificates of authorization for service for instructors.

Currently I am required to collect a STRF fee. Am I obligated to continue to collect these fees after July 1, 2007?

As of July 1, 2007, the Act will become inoperative, including the STRF fee collection requirements. Under existing law, this means that STRF fees will not need to be collected after July 1, 2007.

After July 1, 2007, do I need to maintain or renew my approval to operate?

As of July 1, 2007, institutions will no longer need to seek or maintain approval or registration from the Bureau to operate a private postsecondary educational institution legally in California. We recommend that you review your educational program requirements with other related state or federal agencies to ensure that the cessation of the Bureau's functions will not otherwise impact the educational programs that you offer.

Will there be a new Bureau?

This is a difficult question to answer. Currently, two legislative proposals have been introduced. The first bill is Assembly Bill (AB) 1525 (Cook). This bill is an urgency bill. This means that the bill would become effective immediately upon enactment. One of the stated purposes of this bill is to provide that institutions that have received approval and instructors that have been certified as of June 30, 2007 continue to retain those licenses until July 1, 2008. If enacted, this provision would allow institutions to retain their approvals for the purpose of interpreting laws that require graduation from a Bureau-approved institution as a qualification for licensure. This is intended to cover the anticipated time the Bureau is not operative. There are other provisions in this bill that may affect institutions after the Bureau becomes inoperative.

It is important to note that AB 1525 can be modified at any time and is subject to approval by both houses of the Legislature and must be signed by the Governor.

The second bill, Senate Bill (SB) 823 (Perata), is the reform act intended to create a new agency to succeed the Bureau on January 1, 2008. Currently, the bills are mutually dependent; each bill must be enacted for the other to become operative.

We recommend that you read and track these two legislative proposals. You can subscribe to receive electronic updates on these bills at <http://www.leginfo.ca.gov/bilinfo.html>.

You can also subscribe to receive updates regarding the Bureau's sunset at <http://www.bppve.ca.gov/subscribe.htm>.

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Questions and Answers for Students

Regarding the Closure of the

Bureau for Private Postsecondary and Vocational Education (Bureau)

June 1, 2007

Current law, Education Code section 94999, provides that the Private Postsecondary and Vocational Education Reform Act (Act) will become inoperative (sunset) on July 1, 2007. However, the current Act remains in full force and effect until July 1.

Will there still be a Bureau after July 1?

No. There will no longer be staff or resources to continue the operations of the Bureau. However, the Department of Consumer Affairs plans to provide some assistance to students after July 1. You can subscribe to receive updates regarding the Bureau's sunset at <http://www.bppve.ca.gov/subscribe.htm>.

As currently drafted, a legislative proposal, Assembly Bill (AB) 1525 (Cook), intends to permit the Department to assume some of the Bureau's functions. This would include payment of pending, eligible Student Tuition Recovery Fund (STRF) claims and investigation of student complaints.

This bill is intended to cover the anticipated time the Bureau is closed. This bill is an urgency bill, which means that the bill would become effective immediately upon signature by the Governor.

It is important to note that AB 1525 can be modified at any time and is subject to approval by both houses of the Legislature and action by the Governor.

After July 1, will there be a new Bureau?

We hope so. Senate Bill (SB) 823 (Perata), is the reform act intended to create a new agency to succeed the Bureau on January 1, 2008. Currently, this bill and AB 1525 are mutually dependent; each bill is subject to the Legislative process and Governor's action to become operative.

We recommend that you read and track these two legislative proposals. It is important to note that, like AB 1525, SB 823 can be modified at any time. You can subscribe to receive electronic updates on these bills at <http://www.leginfo.ca.gov/billinfo.html>.

If I am a student attending a Bureau-approved institution, how does the Bureau's sunset affect my ability to qualify as a candidate to sit for a licensing examination, such as for a Licensed Vocational Nurse, Marriage and Family Therapist, or Psychologist?

The boards that regulate these professions may have the authority to continue to recognize graduates of schools that were approved by the Bureau even after the July 1, 2007, closure date. For additional information, you may wish to contact the specific licensing board directly.

In addition, a provision of AB 1525, discussed above, is intended to allow institutions to retain their approvals for the purpose of interpreting laws that require graduation from a Bureau-approved institution as a qualification for licensure. This bill is an urgency bill, which means that the bill would become effective immediately upon signature by the Governor.

It is important to note that AB 1525 can be modified at any time and is subject to approval by both houses of the Legislature and action by the Governor.

I attended a Bureau-approved school that has closed. How can I get a copy of my transcript or a letter that confirms that the closed school was once approved by the Bureau?

After July 1, you can send a written request to the Department of Consumer Affairs at the above post office box address. You can also email the request to bppve@dca.ca.gov. These are the best ways to submit your request.

If you need immediate assistance, you can call the Department's Consumer Information Center (CIC) at 1-800-952-5210 to speak to a live operator. The operator will take your request and forward it to the appropriate departmental personnel for a response.

If I have filed a STRF claim before the Bureau sunsets, will the claim be paid?

The Bureau will continue to process eligible student claims through June 30, 2007. However, payment is contingent upon whether there are sufficient funds to pay the claims.

If there aren't sufficient funds, what will happen to my claim after July 1, 2007?

It depends on whether any new law addresses this issue. Under proposed AB 1525, discussed above, eligible STRF claims may remain pending for payment in the future.

What happens if my school closes after July 1, 2007? Who will help me?

The Department will attempt to assist you. You can email the Department at bppve@dca.ca.gov or contact the Department's Consumer Information Center at 1-800-952-5210.

The best option for students faced with a school closure is to retain credits earned, continue their course of studies and obtain their certificate or degree. For most students, this involves a transfer to another school.

If continuing studies is not possible, students may consider other options.

Here are four key options for students faced with a school closure:

TRANSFER

Students may be able to transfer credits to another school offering similar courses. They should contact other schools that offer similar courses and inquire about transfer eligibility. For a list of degree-granting schools approved by the Bureau prior to June 30, 2007, students can visit the Bureau's Web site at <http://www.bppve.ca.gov/>.

TEACH-OUT

Students who are within 90 days of graduation may be able to complete their studies at the closing school or other schools. The Department would help students explore whether this "teach-out" option can be made available.

SCHOOL REFUND

Students can request a refund of tuition from the school in writing. Students may be eligible for a refund of all or part of tuition and other costs, such as those for books. More information on a particular school's refund policy can be found in its course catalog and/or enrollment agreement.

DISCHARGE OF LOAN

If students don't transfer or complete studies and they've received a federally subsidized loan, they may be eligible to have the loan discharged. Students should contact their lender or the U.S. Department of Education at 1-800-4-FEDAID or obtain more information, including a loan-discharge application, online at <http://studentaid.ed.gov/>.

However, selecting discharges or refunds will likely result in the loss of credits already earned. There also may be other legal remedies available including a suit in small claims court.

If I file a complaint against a school before June 30th, what will happen to it?

The Bureau will make every attempt to mediate the complaint. If it is not resolved by June 30th, the Department is planning to forward any unresolved complaints to a successor agency for possible resolution.

How do I file a complaint against a school after July 1?

You can download a complaint form from the Bureau's Web site at bppve@dca.ca.gov and mail it to the above post office box, or you can email your complaint to the Department at bppve@dca.ca.gov.

The Department will make every effort to mediate the complaint if the resources are available to do so.

Since the Bureau will no longer be approving schools after July 1, where do I get further information about post-secondary schools?

We encourage you to refer to the section of the Bureau's Web site entitled "Helpful Resources for Schools and Students – Links"

<http://www.bppve.ca.gov/links.htm>.

BILL NUMBER: AB 1525 AMENDED
BILL TEXT

AMENDED IN ASSEMBLY APRIL 26, 2007
AMENDED IN ASSEMBLY APRIL 16, 2007

INTRODUCED BY Assembly Member Cook
(Coauthor: Assembly Member Portantino)

FEBRUARY 23, 2007

An act relating to private postsecondary education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1525, as amended, Cook. Private postsecondary education.

(1) The Private Postsecondary and Vocational Education Reform Act of 1989 generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs. Existing law requires the bureau, among other things, to review and investigate all institutions, programs, and courses of instruction approved under the act.

The act establishes the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund. The act specifies that certain violations of its provisions are subject to civil penalties and that certain willful violations of the act are punishable as crimes. A provision of the act provides for it to become inoperative on July 1, 2007, and provides for its repeal on January 1, 2008.

The bill would express the intent of the Legislature to provide for the protection of the interests of students who, and institutions which, have pending matters, or any other pending business, before the bureau as of June 30, 2007.

The bill would require that each matter, as defined, pending before the bureau as of the close of business on June 30, 2007, be deemed to remain pending before the bureau or a successor agency as of ~~January~~ February 1, 2008, irrespective of any applicable deadlines. With respect to any deadline applicable to a pending matter, the bill would require that no time be deemed to have elapsed between July 1, 2007, and ~~December 31, 2007~~ January 31, 2008, inclusive .

The bill would require that any institution, program, or course of study that is approved by the bureau as of the close of business on June 30, 2007, be deemed to be approved as of ~~January~~

February 1, 2008, irrespective of any applicable conditions, deadlines, or additional requirements. The bill would also require that, with respect to any deadline applicable to the approval or conditional approval of an institution, program, or course of study, no time shall be deemed to have elapsed between July

1, 2007, and ~~December 31, 2007~~ January 31, 2008, inclusive . The bill would authorize the Director of Consumer Affairs to enter into voluntary contracts with institutions for compliance with statutes, rules, and regulations applicable to these institutions as of June 30, 2007.

The bill would continue the existence of the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund, thereby making an appropriation.

These provisions would be repealed on ~~January~~ February 1, 2008.

(2) The bill would authorize the approval of private postsecondary institutions for specified purposes until July 1, 2008.

(3) The bill would become operative only if SB 823 is chaptered before July 1, 2007.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

BILL NUMBER: SB 823 AMENDED
BILL TEXT

AMENDED IN SENATE MAY 24, 2007
AMENDED IN SENATE MARCH 27, 2007

INTRODUCED BY Senator Perata

FEBRUARY 23, 2007

An act to add Chapter 7 (commencing with Section 94700) to Part 59 of Division 10 of Title 3 of the Education Code, relating to private postsecondary education, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 823, as amended, Perata. Private postsecondary education: California Private Postsecondary Education Act of 2007.

(1) The Private Postsecondary and Vocational Education Reform Act of 1989 generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes in the Department of Consumer Affairs the Bureau for Private Postsecondary and Vocational Education, which, among other things, is required to review and investigate all institutions, programs, and courses of instruction approved under the act.

The act establishes the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund. The act specifies that certain violations of its provisions are subject to civil penalties and that certain willful violations of the act are punishable as crimes.

A provision of the act provides for it to become inoperative on July 1, 2007, and provides for its repeal on January 1, 2008.

This bill would recast, revise, and reenact the provisions of the Private Postsecondary and Vocational Education Reform Act of 1989 as the California Private Postsecondary Education Act of 2007. The bill would establish the Board for Private Postsecondary Education in the Department of Consumer Affairs, and would provide that the board would *generally* succeed to the duties assigned to the bureau under the 1989 act.

The bill would continue the existence of the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund, thereby making an appropriation. Certain violations of the new act would be punishable as crimes, thereby establishing a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) The bill would not become operative unless and until
~~A.B.—~~ AB 1525 is chaptered and becomes operative.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.